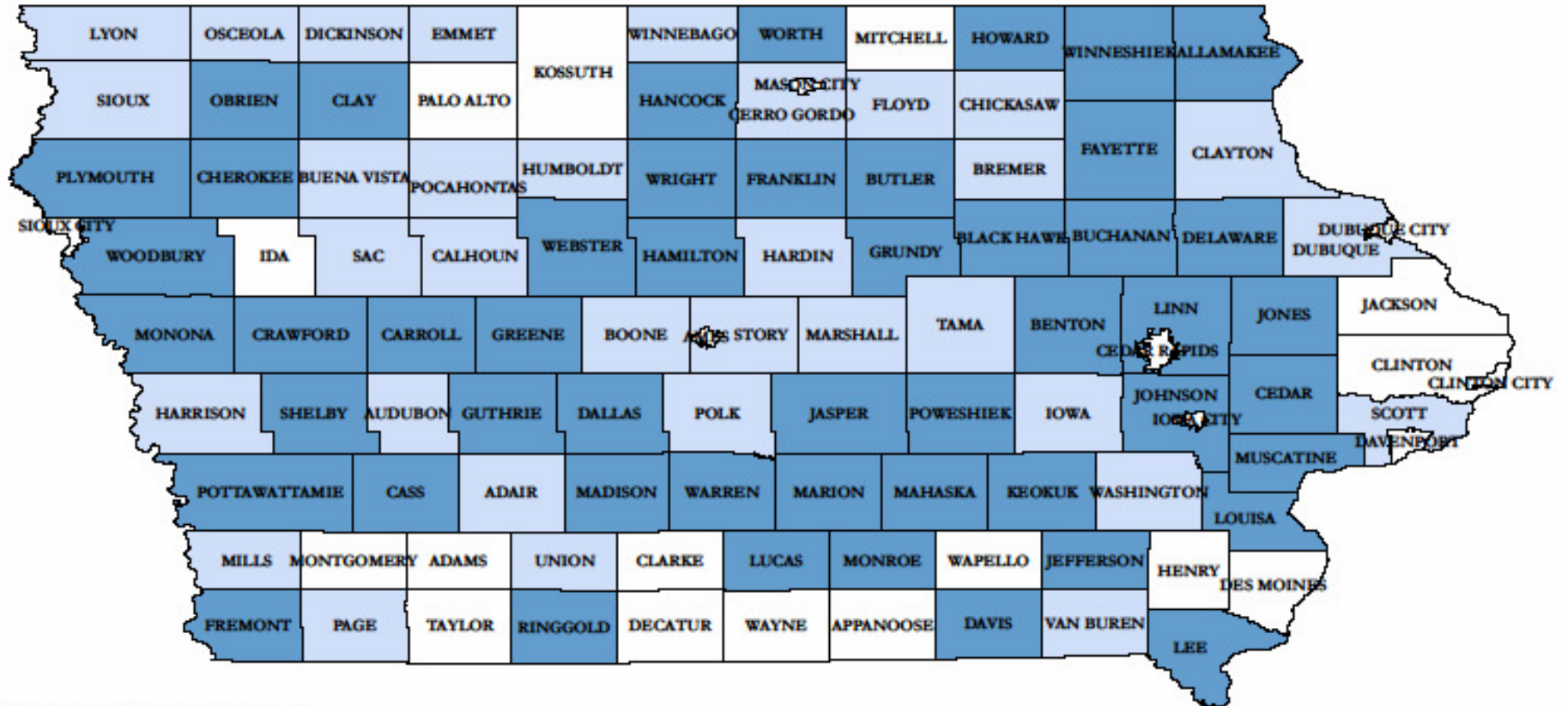


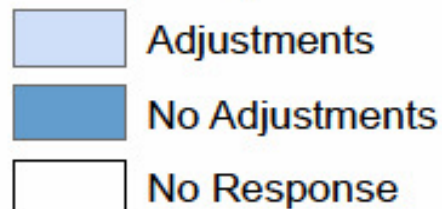
Agricultural Adjustment Issues

June 2012

Survey of Land Use Adjustments



Survey Responses



The map is based on survey results gathered July 1, 2011.

Iowa Department of Revenue
Property Tax Division
Created 6/6/2012 slc

Ag Adjustment Committee

- Goals
 - Consistency & Uniformity
 - Transparency for Taxpayers

IDR Responsibility

421.17 Powers and duties of director

-to the end that all assessments of property and taxes levied on the property be made relatively just and uniform.....
-a uniform and legal assessment of property as prescribed by law.....
-shall determine the degree of uniformity of valuation as between various assessing jurisdictions.....

IDR Responsibility

421.17 Powers and duties of director

For the purpose of bringing about uniformity and equalization of assessments throughout the state of Iowa, the director shall prescribe rules relating to the standards of value to be used by assessing authorities in the determination, assessment and equalization of actual value for assessment purposes of all property subject to taxation.....

How is Agricultural Land Valued Today?

- IDR calculates productivity value
- CSR's & Value
- County Practices

CSR –

What does it do well?

Measures
soil productivity for row
crop production.

CSR –

What does it not do?

Not
a reliable measure
for non-row crop
land productivity.

Why?

Presumes
“low productive soil” =
low CSR.

NOT TRUE.

The Issue

- Non-row crop parcel may carry a high CSR.
- Resulting in valuation similar to row crop land.

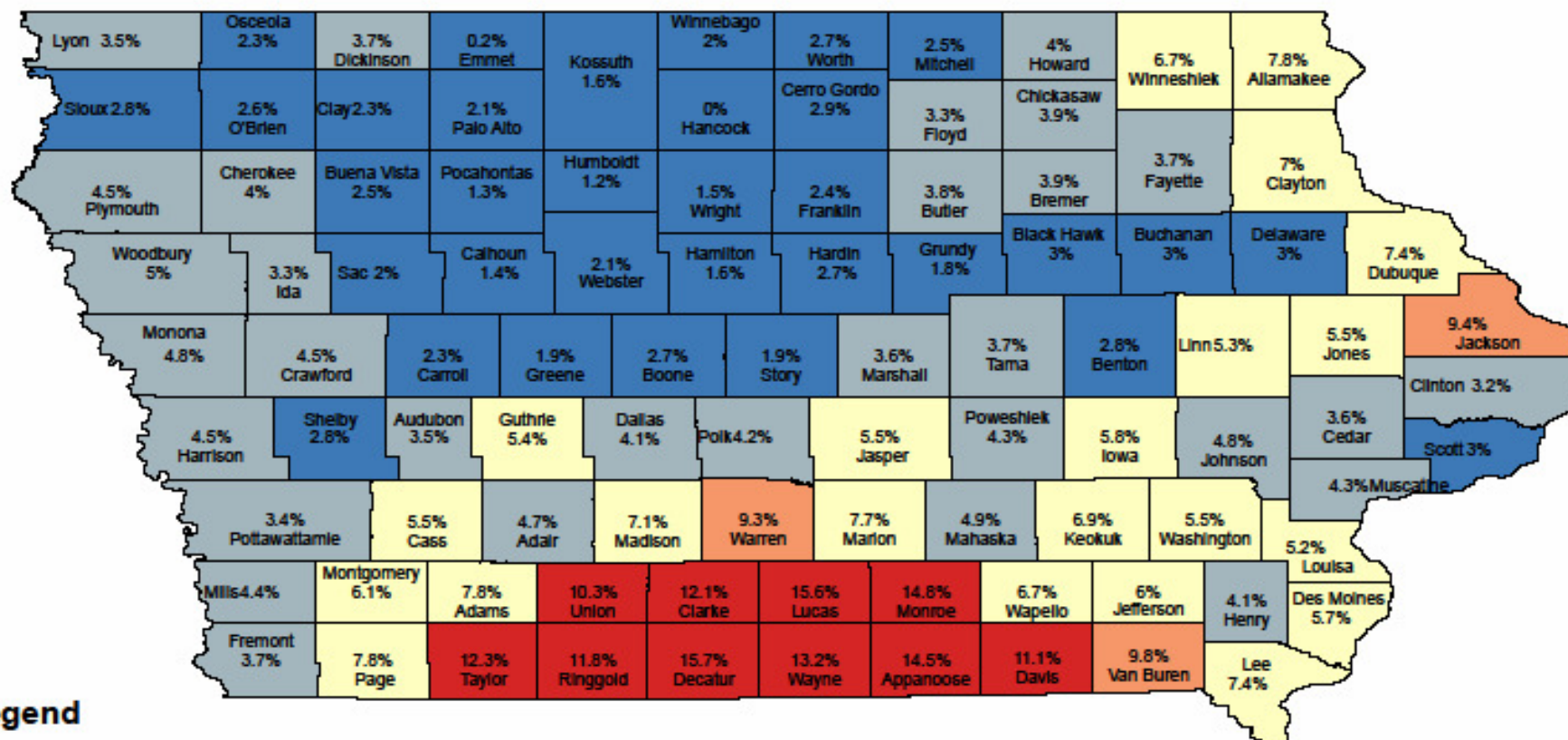
Proposed Solution

- 1st Develop method for uniformity and consistency
- Recognize limitations and strengths of CSR
- Recognize limitations and strengths of FSA land use layer

Proposed Solution

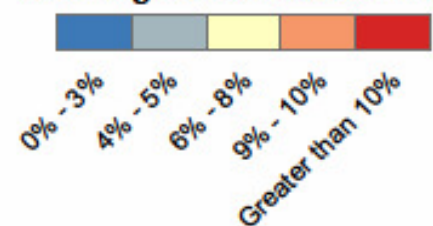
- Zero in on problem CSR's
 - Adjust “high” CSR's on non-row crop
 - Create a “floor” CSR for adjustments
 - 5 year ** average Cash Rent debasement model

Percentage of Change in Dollars per CSR with Floor Methodology



Legend

% Change in \$/CSR with Floor Methodology



Base CSR =		30 Acres	CSR rating		Base CSR	Increment CSR	debased Incr CSR	Total Adj CSR	Total Points	
adjust to CSRs above baseline Cash rent model	-0.78	22%		unadjusted CSRs		(CSR minus base CSR)	(incr CSR times debaseme nt residual)	Column I +	(= reduced CSRs for calcuations)	
NonCrop		142	13.36	83	1,108.88	30	53	11.7	41.7	556.58
		163C	0.85	70	59.5	30	40	8.8	38.8	32.98
		163D	7.61	60	456.6	30	30	6.6	36.6	278.53
		163F	5.32	30	159.6	30	0	0.0	30.0	159.60
		163G	1.38	20	27.6	20	0	0.0	20.0	27.60
		478G	11.09	5	55.45	5	0	0.0	5.0	55.45
		480D	0.21	55	11.55	30	25	5.5	35.5	7.46
		Totals	39.82		1,879.18					1118.19
								% Change		40.5%

Alternative Solutions?

[illegible]

Allamakee County											
Cash Rent Debasement	0.8075										
Average Tillable CSR	59										
Floor for Non Row Crop	30										
Total Calculated Acres	249.88										
Total Calculated Tillable acr	213.99	86%									
Total Calculated NT	35.89	14%									
Total Adjusted Points	15,678.68										
Total Unadjusted Points	16,385.70										
Assessors Points	16,386.00										
% Change in Points	4.3%										
								Estimated Assessed Value			
Calculated \$/CSR assuming countywide no Debasement**						22.00	360,485				
** excluding spots and lines											
Calculated \$/CSR using floor model						23.76	372,525	3.23%	change in value		
								2011 Actual Land Value			
							164,000				
							196,500				
							360,500				